

The A B C's of the
MANCHURIA QUESTION

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There are distinct intimations that the Manchuria question may develop into the crux of the Conference on Limitation of Armaments and Pacific Ocean and Far Eastern Questions. Indeed, no attempt to readjust the relations of the Powers to China is complete which does not include a clarification of the situation in Manchuria.

The leases of certain maritime sectors of China's territory to foreign nations—viz: Tsingtau (Germany), Port Arthur (Russia), Weiheiwei and Kowloon (Great Britain), Kuangchouwan (France)—drove the entering wedge into China's administrative autonomy and opened a way to extend foreign authority in China by the process of "economic penetration." Manchuria is the principal example of this insidious process and provides therefore a test case of the system of indirect territorial absorption.

Origins of the Manchuria Question

The Manchuria question in its present form is traceable directly to Imperial Russia's efforts to reach an outlet to the major seas. Blocked from the Mediterranean Sea and from exits through the Baltic, Russian statesmen turned to the Pacific and sought a road to the open sea through Siberia. This led to the conception of the Siberian railway and of Vladivostok as a seaport. The direct route of the railway lay across Manchuria.

Manchuria belonged to China; a condition which required the Russian Government to negotiate a treaty with China for a railway right-of-way there. Such a treaty secretly was negotiated in 1895 and came into effect in the following year. It took the form of an agreement between

a Russian corporation, the Russo-Chinese Bank (created for this purpose), and the Chinese Government, whereby the Chinese Eastern Railway was to be built. The capital for the railway was to be provided jointly by the Russo-Chinese Bank and by the Chinese Government. Chinese were to participate with Russians in the construction and operation of the railway. China reserved the right to purchase the railway entirely in 36 years. The agreement gave to the Chinese Eastern Railway Company the right to maintain order (police power) along a strip of territory adjacent to the railway line; to build stations and other buildings required for the operation of the railway. Under the Russian regime the police power in the railway zone was administered by so-called "railway guards," or special troops.

The next step was the lease (1898) to Russia of the Liao-tung, the "nose" of the peninsula of Southern Manchuria extending into the Gulf of Chihli; where Russia built Port Arthur and Dalny later. Then followed (1898) an agreement for the extension of the Chinese Eastern Railway from a point in Central Manchuria (Harbin) to Port Arthur and Dalny. Joint intervention of three Powers (Russia, France and Germany) had compelled Japan, after the China-Japan war, to relinquish her demand for the cession of the Liao-tung; consequently the leasing of the Liao-tung soon thereafter to Russia was taken, (as indeed it was), as an injustice to Japan in one sense. That Japan had cause to be disgruntled in that case has no legal or moral bearing on the Manchuria question as it stands today, or on China's sovereign rights in the territory.

In this connection there is no need to confuse the issue by bringing in the Weiheiwei, Kowloon, Tsingtau and Kuangchowwan leases, and their validity, except to point out that they all come within the same general category vis-avis the question of respect for the fundamental sovereignty of China, and China now is trying to secure the abrogation

of all of them. All those leases were a reflex of one another, and were obtained or exacted from China "while the grabbing was good," and at about the same time.

Japan in Manchuria

Japan's present position in Manchuria resulted from the Russo-Japanese war. Follows quotations from the text of the Portsmouth Treaty of Peace between Japan and Russia:

Article III.—Japan and Russia mutually engage:

1. To evacuate completely and simultaneously Manchuria except the territory affected by the lease of the Liao-tung Peninsula, in conformity with the provisions of Article I annexed to this Treaty; and

2. *To restore entirely and completely to the exclusive administration of China all portions of Manchuria now in the occupation or under the control of the Japanese and Russian troops, with the exception of the territory above mentioned.*

The Imperial Government of Russia declare that they have not in Manchuria any territorial advantages or preferential or exclusive concessions in impairment of Chinese sovereignty or inconsistent with the principle of equal opportunity.

Article IV.—Japan and Russia reciprocally engage not to obstruct any general measures common to all countries, which China may take for the development of the commerce and industry of Manchuria.

Article V.—The Imperial Russian Government transfer and assign to the Imperial Government of Japan, *with the consent of the Government of China*, the lease of Port Arthur, Talien and adjacent territory and territorial waters and all rights, privileges and concessions connected with or forming a part of such lease and they also transfer and assign to the Imperial Government of Japan all public works and properties in the territory affected by the above mentioned lease.

The two High Contracting Parties mutually engage to obtain the consent of the Chinese Government mentioned in the foregoing stipulation.

The Imperial Government of Japan on their part undertake that the proprietary rights of Russian subjects in the territory above referred to shall be perfectly respected.

Article VI.—The Imperial Russian Government engage to transfer and assign to the Imperial Government of Japan, without compensation and with the consent of the Chinese Government, the railway between Changchun (Kuanchengtzu) and Port Arthur and all its branches, together with all rights, privileges and properties appertaining thereto in that region, as well as all coal mines in the said region belonging to or worked for the benefit of the railway.

The two High Contracting Parties mutually engage to obtain the consent of the Government of China mentioned in the foregoing stipulation.

Article VII.—Japan and Russia engage to exploit their respective railways in Manchuria exclusively for commercial and industrial purposes *and in no wise for strategical purposes.*

It is understood that that restriction does not apply to the railway in the territory affected by the lease of the Liao-tung Peninsula.

Those articles of the Portsmouth Treaty form the technical basis of the position acquired by Japan in Manchuria as a result of the Russo-Japan war. The “nose” of Liao-tung, including the fortified harbor of Port Arthur and the commercial port of Dalny, included in the lease to Russia, was transferred by Russia to Japan, “with the consent of China.” Also with the consent of China (to be obtained afterward), the southern part of the Chinese Eastern Railway, from Changchun to Port Arthur, was transferred by Russia to Japan. The name of this section of line was changed by Japan to the South Manchurian Railway, and now is known by that name. The line crossing Manchuria East and West, and the “stub” from Harbin southward to Changchun, which were retained by Russia under the Treaty of Portsmouth, continued to be called the Chinese Eastern Railway, and their status was unchanged by the war.

In December, 1905, China entered into an agreement with Japan regarding the rights in Manchuria ceded to Japan by Russia. Follow quotations from the text of that agreement:

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Article I.—The Imperial Chinese Government consent to all the transfers and assignments made by Russia to Japan by Articles V and VI of the Treaty of Peace.

Article II.—The Imperial Japanese Government engage that in regard to the leased territory as well as in the matter of railway construction and exploitation, they will, so far as circumstances permit, *conform to the original agreements concluded between China and Russia*. In case any question arises in the future on these subjects, the Japanese Government will decide in consultation with the Chinese Government.

In short, with respect to the Liao-tung leased territory and the southern part of the railway line between Harbin and Port Arthur, Japan succeeded to the position of Russia on the same conditions as the original agreement, and China consented to the transfer.

In a supplementary agreement signed at the same time, between the Japanese and Chinese governments, China agreed to open several places in Manchuria to foreign trade; and this article was included:

Article II.—In view of the earnest desire expressed by the Imperial Chinese Government to have the Japanese and Russian troops and railway guards in Manchuria withdrawn as soon as possible, and in order to meet this desire, the Imperial Japanese Government, in the event of Russia agreeing to the withdrawal of her railway guards, or in case other proper measures are agreed to between China and Russia, consent to take similar steps accordingly. When tranquility shall have been re-established in Manchuria and China shall have become herself capable of affording full protection to the lives and property of foreigners, Japan will withdraw her railway guards simultaneously with Russia.

That agreement contained also this article:

Article VIII.—The Imperial Chinese Government engage that all materials required for the railways in South Manchuria shall be exempt from all duties, taxes, and likin.

The use made by the Japanese of this article will be shown later.

The Great War Period

The time between the signing of the Portsmouth Treaty and the beginning of the Great War did not alter the situation in Manchuria with respect to Treaty status, as between Japan and China. This period, however, was marked by manifestations of an international readjustment concerning Manchuria by most of the major Powers, which by private agreements with Japan and among themselves virtually gave to Japan a "free hand" in Manchuria. The outstanding evidence of this transposition was afforded by the so-called Knox proposal¹ for the internationalization of railway exploitation in Manchuria; which revealed the existence of a four-Power compact between Russia, Great Britain, Japan and France, to support a "sphere of influence" thesis there based on private trades among those Powers.

The general situation in the Far East caused by the outbreak of the Great War perhaps is sufficiently understood. Its effect was to place Japan free from any restraint in respect to her policy except such as might be applied by the United States, and no strong action by the American Government was contemplated. The Japanese Government, having taken advantage of the conditions to take possession of Tsingtau and to overrun Shantung Province, then went further, and made a series of moves calculated to impose a Japanese suzerainty upon China and to clinch Japan's position in Manchuria. Those moves were:

- (a) The Twenty-One Demands.
- (b) The 1915 agreements, obtained from China under ultimatum.

¹ (NOTE:—A full expose of this well-meant effort of Secretary of State Knox to clarify the situation in Manchuria, with the texts of the secret diplomatic Notes of the Powers in applying pressure on China to defeat it, is given in Chapter I, of the writer's book "Our Eastern Question," published in 1916. Further light on the subject was given by the publication, after the revolution in Russia, of secret treaties and agreements regarding the Far East made by the Russian Imperial Government after the Russo-Japan war. Those documents were printed and their meaning analyzed in the writer's book "Democracy and the Eastern Question," published in 1919.)

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(c) The secret agreements obtained in February and March, 1917, from Great Britain, France, Russia, and Italy, by which German leased territory and economic concessions in Shantung were to pass to Japan.

(d) Additional agreements procured by pressure on China, in 1917 and 1918, concerning Japan's position in Manchuria and Eastern Inner Mongolia. [Note: The validity of these agreements is disputed.]

The sweeping character of the original Twenty-One Demands have been shown by the writer in a recent booklet, "The A B C's of the Twenty-One Demands"; so this discussion will be confined to conditions resulting therefrom which apply to Manchuria.

The main features of the 1915 agreements, to which China acceded only after an ultimatum from the Japanese Government, were: The extension of the lease of Port Arthur and Dalny for 99 years; right of Japanese in Manchuria to own land there; freedom of residence and travel for Japanese in Manchuria; confirmation by China of all the agreements for railway extensions in Manchuria, and for exploitation of mineral and agricultural resources there, which had been exacted by Japan since the Russo-Japanese war; the extension of the South Manchurian Railway rights of Japan for 99 years.

By the original agreement with the Russo-Chinese Bank, the Chinese Government would have the right to purchase the foreign interest in the Manchurian railways in 1938; and the Liao-tung leased territory would revert to China in 1923. Thus Japan, taking advantage of the Great War and China's military weakness, seized the occasion to force China to sign agreements extending Japan's position in Manchuria for 99 years, which is equivalent to making it permanent in so far as a treaty can ever do that.

The Russian revolution gave Japan an excuse to increase her military forces in Manchuria, and an official estimate made early in 1921 gave the number of Japanese troops there at 70,000.

The Open Door in Manchuria

Japan's course in Manchuria since the end of the Russo-Japan war can accurately be described as the using of every conceivable device to shut the Open-Door of commercial opportunity there, and to supercede China's administrative autonomy, in violation of the letter and spirit of the Chinese Eastern Railway agreement and the Portsmouth Treaty.

A dozen large volumes would be required to enumerate the details of this process in the last fifteen years. The writer in his books, "America and the Eastern Question" (1909), "Our Eastern Question" (1916), and "Democracy and the Eastern Question" (1919), elucidated with considerable detail the situation in Manchuria, based on his personal observations and on official consular reports. I quote from "Democracy and the Eastern Question," page 274, Chapter XI:

"Recently a special agent of the United States Department of Commerce made a summary of the disabilities under which American merchants now operate in Manchuria and Shantung, as follows:

"1. Delays at the Japanese banks. Shroffs of American and other foreign firms are made to wait while Japanese are given prompt attention.

"2. Holding of goods at the ports of entry and railway stations on various pretexts, while goods shipped by or consigned to Japanese merchants are moved and handled promptly.

"3. Similar delays at Kobe, Japan, and at all other points of transshipment, where cargo shipped by or consigned to American firms is held up, while cargo shipped by and consigned to Japanese firms is moved promptly.

"4. Special favors accorded by the railways in China under Japanese control to Japanese shippers, including an obscure system of rebates.

“5. Subjection of the Chinese to a ‘graft’ system, except those who work in with the Japanese.

“6. Encroachments on Chinese business and property, except those who work in with the Japanese.

“7. Evasion of local Chinese taxes by Japanese traders and merchants, while foreign merchants and the Chinese have to pay them.

“8. Manipulation of public utilities controlled by the Japanese, like postal and telegraph communications, to give advantage to Japanese merchants.

“9. Taking advantage of the war censorship and the circumstances which have caused mails from America destined to China and other places in the Orient to be turned over to Japanese postal authorities in Japan to be forwarded to delay the business mail of American firms trading in China and other Oriental countries, to learn the business secrets of those firms, and to use the information thus gained to secure the business for Japanese firms; and similar use of telegraph and other communications controlled by Japan.

“10. Refusing space in Japanese ships to American cargo in order to give advantage to competing Japanese firms, and giving lower rates or rebates to Japanese shippers than are given to American firms.

“11. Counterfeiting of the trade-marks and other distinguishing features of well-known American manufactured articles and the extensive sale in China of inferior Japanese imitations of those articles.

“I quote from the annual report of the American Association of China made on December 29, 1914:

“Turning now from trade in general to some particular considerations, what is the outlook? American cottons formerly held a premier position in Manchuria. Under Russian occupation, every nation stood on an equal footing in Manchuria. The same duties and charges were assessed against all and facilities for distributing goods and doing

business in general were satisfactory. Now it is all changed. Under Japanese administration, no chance to advance Japan's trade is overlooked, and to competitors the means taken appear to be a departure from fair trading. In fact, they constitute a most serious violation of the open-door principle on which the diplomacy of the United States in China is based. Japanese competition takes the form of a system of rebates not only in railway and steamer freight rates, but in remission to Japanese of duties and charges which are assessed against all other nations. In addition to this, many forms of petty annoyances have been worked out for the non-Japanese trader, and the imitation of established trade-marks is common.' "

With possession of the principal ports of entry to Manchuria—Dalny and at Antung (from Korea)—and control of the railways penetrating Manchuria from those ports, Japan has almost complete economic control of Manchuria. The condition depicted by the quotations from "Democracy and the Eastern Question" now have been supplemented by Japanese military occupation of Vladivostok and other ports of entry to Siberia, so that the commercial "doors" to those regions now are held by Japan exclusively.

"Special Position" and "Vital Interests"

During the Great War, by a diplomacy which still is enveloped in obscurity, Japan obtained the secret Shantung agreements, and also induced the American Government to make the so-called Lansing-Ishii agreement, in which the "special interest" of Japan with respect to China was mentioned. That agreement and the reactions from it were analyzed by the writer in "Democracy and the Eastern Question," and the interpretation given by Japan to the Lansing-Ishii agreement was revealed. Since then, both Mr. Lansing and Secretary of State Hughes have given their interpretations of the American official position visavis this question. In his testimony before the Senate Committee on Foreign

Relations, August 11, 1919, Mr. Lansing denied explicitly that by the words "special interest" the American Government had conceded that Japan has any special economic rights in China, and gave his version of the Lansing-Ishii negotiations, testifying that he had refused Viscount Ishii's request that an especial or paramount position of Japan with respect to China should be recognized by the American Government.

In a Note addressed to Hon. Alfred Sze, the Chinese Minister to the United States, dated July 1, 1921, Secretary of State Charles E. Hughes reaffirmed the position of the American Government with respect to the Open-Door, as follows:

"Your reference to the principle of the Open-Door affords me the opportunity to assure you of this Government's continuance in its whole-hearted support of that principle, which it has traditionally regarded as fundamental both to the interests of China itself and to the common interests of all powers in China, and indispensable to the free and peaceful development of their commerce on the Pacific Ocean. The Government of the United States never has associated itself with any arrangement which sought to establish any special rights in China which would abridge the rights of the subjects or citizens of other friendly states; and I am happy to assure you that it is the purpose of this Government *neither to participate in nor to acquiesce in any arrangement which might purport to establish in favor of foreign interests a superiority of rights with respect to commercial and economic development in designated regions of the territories of China, or which might seek to create any such monopoly or preference as would exclude other nationals from undertaking any legitimate trade or industry or from participating with the Chinese Government in any category of public enterprise.*"

(Signed) CHARLES E. HUGHES.

Furthermore, the American Government took occasion at the time the 1915 agreements between Japan and China were signed to declare, in a Note to those governments, that the United States will except to any terms of that agreement which may conflict with its treaty rights in China as previously established, and with "the political or territorial integrity of China."

Nevertheless, Japanese diplomacy in the Washington Conference reveals plainly a purpose to attempt to establish by the consent of the conference Powers some kind of special position for Japan with respect to Manchuria. This purpose has distinguishable phases, viz:

(a) An attempt to define China's territorial domain as excluding Manchuria and Mongolia.

(b) To make any concessions of Japan with regard to the evacuation of Shantung conditional (privately, of course,) on China making certain concessions to Japan in Manchuria.

(c) An attempt to induce the Powers and China to recognize that Japan has "vital interests" in Manchuria.

Having apparently failed to "put over" a general recognition of Japan's "special interest" in China, Japan now is advancing a claim that she has "vital interests" in China. Those "vital interests" are predicated, apparently, upon Japan's alleged need to obtain the products of China for industrial purposes. The phrase "vital interests" is far more comprehensive and therefore is more invidious to the sovereignty of China than "special interest" or "special position" are. No nation can have "vital interests" within the territorial entity of another nation without qualifying the sovereignty of that nation. To grant that Japan has "vital interests" in China would be tantamount to conceding to Japan a suzerainty over China.

Prior to convening this Conference and for a time thereafter, certain propagandas stressed the proposition that the Great Wall should constitute the northern boundary of the territorial entity of China. This would set Manchuria and

Mongolia apart from China, and would pave the way for the ultimate annexation of those regions by Japan in the process of "economic penetration." The invidious nature of this proposition was so apparent, and its contradiction of the previous commitments of other Powers and of China so positive, that it met with little credence.

It probably will be found in the end that Japan's real position, what she really hopes to obtain in the Conference, is the confirmation by the Powers and China of the extension of the lease on the Liao-tung for 99 years, and of the same extension of Japan's control of the Manchurian railways.

It can be expected that China very strongly will oppose such a settlement. The foreign leaseholds of China's maritime sectors all are parts of a system which has been eating into the vitals of China's national existence. They vary in practical effects in accordance with varying policies and measures of the Powers that hold them; but they are the same in principle, and China now asks to be rid of all of them, and to have her authority and control over her territories fully restored.

No other solution will be acceptable to the Chinese. No other condition will assure a real Open Door in China for the commerce and industry of all foreign nations.

And no other settlement can be made to square with the traditional American policy toward China, and with the unequivocal commitments of the United States to China.

